

Transfer of equity: house or flat

Property Guide

1. Transferring the equity in a property

You have instructed us to act on your behalf in transferring equity in a property. We now have several steps to go through before you either:

- Take possession of the property in your joint names or
- Take possession of the property in your sole name
- Dispose of your interest in the property

This note provides an overview of the steps common to most transfers of equity. As each transaction is different, you may find that not all the steps mentioned apply to you or they may occur in a different order from that listed below. Your transaction may also involve additional steps.

We will provide you with additional advice during your transfer of equity. This note is intended as a starting point only. If you have any questions after reading this note, please get in touch.

2. Opening your file and confirming instructions

Although you have made an agreement with the other parties, it is not binding on you or the other parties until completion has occurred. There is a risk that the other parties may pull out of the transaction before then. You can also withdraw from the transaction before then. In either case, you will lose any money you have spent on the transaction by that stage, for example, our legal fees to that point.

We have several legal requirements to comply with before we can start working for you and some instructions we will need to confirm. These include:

- Explaining the terms of our appointment (including our prices) to you.
- Confirming your identity. Your mortgage broker may also ask you to confirm your identity with them or may already have asked you to do so, but we still need to do this step.
- In respect of any additional parties being added or removed from the property title, they will also need confirm their identity by way of ID1 Form or via the solicitor acting on their behalf.

- Confirming whether you are the only owner of the property or whether you own it with someone else. We will need to confirm the identity of any other owners, as well as their instructions to act on their behalf. If you do own the property jointly with any other people, then references to “you” in this note mean all the owners.
- Confirming whether there are any adults in occupation at your property other than you (for example, relatives or lodgers).
- Confirming the terms you have agreed e.g. consideration (price paid for the interest) or release from any existing debts.
- Confirming whether you have an outstanding mortgage on the property you are selling.
- We will also need you to pay us some money upfront to cover our costs.

We will write to you separately about all of these matters. You will need to sign and return all relevant letters and questionnaires and provide the necessary proof of identity and money before we can do any further work for you.

The instructions you provide will impact the advice we need to give you and some of the steps we need to take. It is important that your instructions are clear and complete and that you let us know if anything changes.

3. Investigations

If you are being removed from the title:

The other party and their lawyer will need to do some investigations into the property. This will involve looking at the registered title at the Land Registry, obtaining some searches (for example, of the Local Authority and drainage records, if required). They may need us to assist to some extent with these investigations. For example, we may need to send them copies of documents relating to the registered title or answer questions arising from the search results. We may need your help in answering these questions, so please try to respond quickly if we contact you to help minimise delays.

Always ensure that you answer any questions about the property as accurately as possible. Not doing so may delay the transaction or have legal consequences.

If you are remaining on the title:

We will need to do some investigations into the property. This will involve looking at the registered title at the Land Registry, obtaining some searches (for example, of the Local Authority and drainage records, if required).

If you are obtaining new mortgage finance or remortgaging in conjunction with the transfer of equity, you will also need to answer some standard enquiries about the property. We will send you the relevant form to fill in.

We may need the other party's lawyers to assist to some extent with these investigations. For example, we may need them to send us copies of documents relating to the registered title or answer questions arising from the search results. We may also need your help in answering these questions, so please try to respond quickly if we contact you to help minimise delays.

Always ensure that you answer any questions about the property as accurately as possible. Not doing so may delay the transaction or have legal consequences.



If you are taking the property subject to the existing mortgage, we will require the lender's consent to the transaction and will contact them regarding this.

Transferring leasehold property or freehold property subject to a service charge:

If the property you are transferring is a leasehold property (usually because the property is a flat), then you will be transferring the right to possess the property for a fixed period of time. The lease will usually oblige you to make certain payments to the landlord, such as a yearly rent and a more regular service charge.

On the transfer of a lease, the Freeholder's and Management Company's requirements will also need to be established, especially if there is a restriction on the property title. They may well charge an additional fee for providing this information. If you are remaining on the title, they will also likely charge a notice fee and may require that you enter into a deed of covenant. We will outline their requirements to you if this applies.

4. Draft transfer and statement of truth

We will draft the transfer and send it to the other party's lawyer if you are remaining the title. They will review the transfer and request amendments as necessary.

If you are being removed from the title, then the other party's lawyer will draft the transfer. We will review this and request amendments as necessary.

If the property has a tenants in common restriction and you will be the sole proprietor following completion, you will also be required to sign a statement of truth to explain what has happened to the beneficial interest in the property and that interest now solely vests in you. We will draft this on your behalf.

5. Insurance

Do not cancel your buildings insurance or contents insurance on the property you are transferring until the completion date (if you are being removed from the title).

If you are remaining on the title, do not cancel your buildings insurance or contents insurance on the property.

If you are transferring a leasehold property, your landlord will usually insure the building themselves and ask you to contribute to the cost of that insurance. This means you will not need to cancel, or take out, any buildings insurance policy yourself for those properties.

6. Preparing for completion

If you are being removed from the title, the completion date will be the day you need to move out of the property and hand over the keys. The other party will pay for your interest in the property and move in.

We will send you a completion statement showing the money you owe us before completion. This will include, for example, our legal fees.

7. Completion

On completion, we receive the money from the other party's lawyer and then date the transfer form. Most typically completion will take place late morning or early afternoon. However, please note there is no set time for completion, and we will contact you to confirm when have completed.



If you are being removed from the title, you must ensure that the property is clean, tidy and free from all rubbish and you must leave only those items you agreed to leave behind.

8. After completion

If you have a mortgage on your property, we will send the money from the transfer to your lender to redeem it (if required). We will send any deeds and paperwork needed to the other party's lawyer so that they can register the buyer as the new owner of the property at the Land Registry.

If you are remaining on the title, we will register you at the Land Registry as the new owner along with your new mortgage (if applicable). If the property is leasehold, we will also attend to the notice requirements.

